

**REMARKS**

The 31 March 2003 official action addressed claims 71-151. Claim 125 is amended to correct editorial errors in the original. Claims 71, 101 and 137 are also amended. Claims 141-151 are canceled as being drawn to a non-elected invention. Claims 71-140 are pending for reconsideration.

Claim amendments

Claim 71 is amended to clarify that the asset, liability and equity balances provided in the claimed financial position report are *current* values (e.g. real time values or delayed real time values) that are calculated using both the historical transaction data for the portfolio and current price data for investments (e.g., securities) held in the portfolio.

Claim 71 is further amended to specify that the financial position report is prepared after receiving a request for a report, at which time current values for the investments are obtained to produce the report.

Claim 71 is further amended to specify that the liability balance that is determined for the portfolio as a whole includes all of the obligations that would result if the investments were liquidated at current prices.

Claims 101 and 137 are amended to be consistent with amended claim 71 by specifying that current prices are obtained in response to a request for the financial position report.

No new matter is added.

Rejection under Section 112

Claim 125 has been amended to overcome the rejection under 35 USC §112.

Prior art rejections

Claims 71-140 were rejected under 35 USC §103(a) as being obvious over Lewis (U.S. 2002/0,065,752) in view of Park (U.S. 6,058,375) and

Cannon (U.S. 6,154,729). The following discussion highlights fundamental features of claimed invention that distinguish the claims from the cited references.

1. Overview of the claimed invention

The claimed invention provides investment portfolio information that is not provided by any other known system, namely, the *current value* of the portfolio *as a whole*, taking into account all of the gains, losses and obligations that would result if all of the investments were liquidated at current prices.

For example, consider a portfolio that includes five stocks. The conventional stock trading system tells the investor the current price for each stock. This allows the investor to determine the "gross" value of the portfolio, i.e., the face value of all the stocks at their current prices. Assume that this face value totals \$5,000. While the investor owns stocks worth \$5,000, the true value of the portfolio is considerably less, since by selling the stocks for \$5,000, the investor will incur many obligations, including tax liability and sales commissions. In addition, other obligations, such as interest owed on borrowed money ("margin"), may come due, and these amounts may change over time. Therefore, the simple information provided by conventional investment systems is incomplete since it fails to convey the most important information about the portfolio, namely, what it is actually worth. The claimed invention bridges the gap between the information currently provided by investment systems and the information actually needed by the investor to accurately understand their current position, by showing what the portfolio is worth, as a whole including all potential liabilities, at the time that the investor requests the information.

The information provided by the claimed invention is produced by obtaining the historical transaction data for the portfolio (i.e., information about what was bought and sold) and the current value of each investment (e.g., real time price data or delayed real time data), and then performing calculations using this data to determine what the value of the portfolio would be if the

investor liquidated all of the investments at current prices, taking into account all liabilities that would have to be satisfied as part of that liquidation.

This information is presented in the form of a balance sheet, in which the *assets* of the investment portfolio (i.e., the current face value of everything owned) are contrasted with the *liabilities* of the portfolio (i.e., obligations such as margin borrowed, commissions due, taxes payable, based on liquidation at current prices) to determine the resulting *equity* of the portfolio (i.e., the true value or net worth that will be left if all investments are liquidated at current prices and all resulting obligations (sales commissions, taxes, etc.) are then satisfied). An example of this type of report is provided in Figure 8, as well as in the top portions of Figures 9V-1, 9V-2 and 9V-3. This form of presentation is highly useful because it shows everything that is needed to understand the current value of the portfolio in one place. At a single glance, the investor understands the “big picture” of the portfolio: the face value of all that is owned, all of the potential liabilities in light of that face value, and what is left as net worth for the investor. Further, more detail about the individual figures in the report can be accessed in the form of supporting reports that are hyperlinked to each of those figures. Therefore, rather than being overwhelmed with an unorganized set of reports that must be looked at individually to piece together the state of the portfolio, the claimed invention provides a balance sheet-type financial position report that provides the entire “big picture,” based on current values, showing the value of everything owned, everything owed, and everything that is left as equity or net worth belonging to the investor.

Therefore the claimed invention has a number of important basic features. These features are listed below, along with the relevant passages from claim 71:

- the claimed invention involves *presenting information* about an investment portfolio (“A method of producing a financial position report...”)
- the presented information relates to the *current value* (i.e., equity or “net worth”) of the portfolio *as a whole* (“calculating current ... equity balances for the portfolio as a whole...”)

- the current value accounts for both existing obligations *and* obligations that would result from liquidation of all investments at current prices (“wherein the liability balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices...”)
- the information is presented in the form of a double entry balance sheet including assets, liabilities and equity (“generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a double entry format...”)
- the asset and liability balances represent everything that is considered in determining the net worth (current value) of the portfolio (since  $\text{assets} - \text{liabilities} = \text{equity}$ ), and so this form of presentation provides the entire “big-picture” view of the current state of the portfolio (“calculating current double entry asset, liability and equity balances for the portfolio as a whole..., wherein the sum of the portfolio asset balances equals the sum of the portfolio liability balances and the portfolio equity balances...”)
- the asset, liability and equity balances are determined by obtaining historical information about transactions, and obtaining current information about investment prices, and then performing calculations that use both the historical transaction data and the current price data to determine current value (“obtaining single entry transaction data records...”; “obtaining current prices for investments...”; “calculating current double entry asset, liability and equity balances...using the transaction data records and the current prices”)
- the report is a “live” report, in that it is generated upon request, using current price values that are obtained once the report has been requested (“receiving a request...”; “obtaining current prices...”; “calculating...”; “generating...”)
- the asset, liability and equity balances are each hyperlinked to supporting reports, which makes the financial position report “self-

auditing," i.e., all of the numbers in the "big-picture" financial position report can be double-checked by accessing the supporting report directly from the balance in question ("each of the respective asset, liability and equity balances ... is associated with a hyperlink to a corresponding report supporting the respective balance...")

All of the aforementioned features are specified in independent claim 71, from which all other claims depend. The subject matter of claim 71 is significantly different than the combined subject matter of the three cited references. Most of the aforementioned features of claim 71 are not found in any of the references and are not features that follow from those references. The significance of these differences is best illustrated by first looking at the basic properties of the cited references:

Lewis: provides a system for acquiring investment transaction data and storing it in a database so that it can be queried by other applications. Lewis does not provide the idea of determining the current value of an investment portfolio as a whole based on current price information, does not teach the calculations that would be necessary to determine that information, and does not suggest any way of presenting such information.

Park: Park provides a data entry system for assisting unskilled data entry personnel to enter accounting data. Park is concerned with properly classifying each transaction that is entered so that it can be posted to the appropriate accounts. Park does not deal with investment portfolios, does not provide the idea of determining a current value of an investment portfolio as a whole based on current price information, does not teach the calculations that would be necessary to determine that information, and does not suggest any way of presenting such information.

Cannon: the Cannon system provides information about merchants to banks. Cannon simply teaches the use of menus that link to reports. Cannon does not teach actively generating reports, or hyperlinking the

balances of a main report to further reports that support each balance of the main report.

Applicant therefore believes that the cited references are not closely related to the subject matter of the present claims. The Cannon and Park references involve data acquisition, but teach little in the way of using that data to generate useful information. To the extent that the references teach reports, those reports are nothing like those presently claimed, and, significantly, do not involve the concept of determining a current value of an investment portfolio as a whole that accounts for obligations that would result upon liquidation at current prices.

The following detailed discussion of each of the cited references is provided to support the general points about the references made above.

## 2. Lewis reference

Lewis discloses a system for collecting financial data and developing a database of financial data so that the financial data can be used by other applications.

Lewis provides a detailed description of a back-end system that collects data, but provides very little discussion of how that data is used. In contrast, the claimed invention is focused on particular calculations performed on investment portfolio transaction data to generate a financial position report for the investment portfolio as a whole.

The basic architecture of the Lewis system is shown in Figure 4. As seen in Figure 4, data is obtained from a variety of source systems and is stored in a database 130, from which it may be accessed by user systems 150 for end user applications. Figure 10 shows how data from various sources is consolidated into the general format of the system database. The manners in which various types of transactions are recorded in the database are shown in Figures 18a - 18c. Lewis' system allows simple transaction data to be recorded and updated so that, for example, changes in cash balances and other quantities recorded in other ledgers can be tracked (e.g. par. 101, 102).

Lewis provides specific teaching for only two types of reports, which are shown in Figures 27 and 28. These reports do not provide asset, liability or equity balances for an investment portfolio as a whole. Therefore, while Lewis teaches certain limited types of reports, Lewis does not teach a financial position report that provides asset, liability and equity balances for an investment portfolio as a whole, based on current prices of the investments, or the method of generating such a report as claimed in claim 71.

It is noted that the official action states that Lewis teaches generating reports supporting calculations made by the calculation server, citing paragraphs 23-26, 28 and 33-36. Applicant has reviewed these paragraphs and believes that they are not relevant to generating reports of the claimed type. Paragraph 23 states that it is an object to create a database that is available for real time querying; paragraph 24 states that it is an object to create a database that supports the generation of reports; paragraph 25 states that it is an object to have a system that is scalable and operates on different platforms; paragraph 28 states that it is an object to have a library of business objects; paragraph 33 states that it is an object to provide a work station that allows users to develop business rules used for collecting information; paragraph 34 states that it is an object to turn business rules into executable objects; paragraph 35 summarizes the basic features of the Lewis system; paragraph 36 describes the various servers used in the Lewis system. In all of these paragraphs, the only mention of reports is in paragraph 24, which says that it is desired to provide a database that supports the generation of reports, and in paragraph 36, where it is mentioned that a reporting engine produces reports. There is no discussion of what kind of reports are generated or what they are related to, and so it is believed that the cited paragraphs do not teach the features of the claimed invention.

### 3. Park reference

Park provides a data entry system that assists a user to enter transaction data using a standardized system for labeling each transaction.

Park describes the traditional manual accounting process in the background section. Park explains that this process involves manually sorting individual transactions into payments and receipts, determining the accounts affected by each transaction, determining the debit and credit entries for each transaction, and entering the debit and credit entries in a journal (col. 5, lines 1-22 and Figure 3).

Park's system uses standardized labels for describing transactions so that a person with no accounting knowledge can enter transaction data correctly. The basic format of Park's transaction data is shown in Table 1 (col. 23). Table 1 shows that Park's transaction data is comprised of five types of information: the "form" of the transaction (i.e., payment or receipt) (first column); a "pattern" describing the type of the transaction (second column); a "detailed pattern" (third column) further describing the transaction, examples of which are provided in Park's Table 2 (col. 23 - col. 24); "standard management information" describing the transaction (fourth column), examples of which are provided in Park's Table 3 (col. 26 - col. 27); and "transaction terms" (fifth column) (i.e. cash, credit, etc.).

Park's system generates a series of user interfaces that allow a user to input the details of each transaction using Park's standardized labeling system. The modules that generate these user interfaces are found in the first processing portion 652 of the system shown in Figure 6. These modules generate data input screens ("displays") for receiving standardized data for each transaction (col. 31, lines 1-11). A transaction form display allows the user to enter the form of the transaction (col. 31, lines 12-15). A transaction pattern display allows the user to enter basic transaction pattern data; this display is customized based on the transaction form entered in the previous display (col. 31, lines 16-25). A detailed pattern display allows the user to enter transaction details; this display is customized based on the transaction pattern entered in the previous display (col. 31, lines 26-33). First and second standard management information displays allow the user to enter standard management items; these displays are customized based on the transaction details entered in



the previous screen (col. 31, lines 34-42; col. 32, lines 10-16). A transaction terms display allows the user to enter terms of the transaction (col. 31, lines 52-58). The sequence of use of these displays for inputting the aforementioned data is further described at col. 33, line 60 - col. 34, line 27.

Once data has been entered in this manner, it is stored in an "integrated management control database" 612 that is specific to the department to which the transaction pertains (col. 32, lines 17-22). A subset of the entered transaction data is then extracted to be used for accounting purposes (col. 32, lines 23-29). The extracted data is analyzed to determine debit and credit entries for the transaction and the accounts to which the transaction is applicable (col. 32, lines 30-47). The debit and credit entries are entered in a journal (col. 32, lines 48-51). The debit and credit entries are then summed to ensure that they are correct (col. 32, line 52 - col. 33, line 8). The debits and credits are then applied to the balances of the accounts to which they pertain (col. 33, lines 9-48). A further description of this processing is repeated at col. 34, line 28 - col. 35, line 29.

The resulting data is accounting data for accounts maintained by the organization. The accounting data is highly reliable because it is based on transaction data entered using a standardized labeling system and customized displays for assisting the user, and because the debit and credit entries for each transaction are checked against each other to detect any errors.

Park deals with brick-and-mortar accounting issues, as seen from the departments listed in Park's databases (warehousing, raw materials, etc.). Park is not concerned with accounting for investment portfolios and provides no teaching of how investment portfolio performance should be represented or how investment portfolio transaction data should be processed.

Park also does not provide any detailed discussion regarding the generation of reports from accounting data generated by the system. Park merely states that data may be read from the system to generate "financial statements having a predetermined format" (col. 33, lines 49-60; col. 35, lines 29-33). No description of any type of report is provided in the several real-life

examples provided by Park at the end of the specification (col. 35 - col. 47). Therefore Park does not teach any specific type of report, or provide any suggestion of the type of report that should be produced for an investment portfolio.

The official action cited col. 6, line 65 - col. 21, line 30 as teaching the steps of calculating double-entry asset, liability and equity balances for an investment portfolio as a whole, and generating a financial position report that presents the asset, liability and equity balances in a double-entry format. It is noted that the cited portion is the entire Summary section of the reference, which covers all aspects of the reference, and so the citation is not helpful for determining exactly where those features are found. Applicant's detailed review of Park found no teaching of the calculation of asset, liability and equity balances for an investment portfolio as a whole, or the use of current price data for performing such a calculation. It is noted that a key word search of Park's description of his system found no mention of the terms "equity," "liability" or "portfolio." Further, it is noted that where Park uses terms such as "balancing operation" (e.g., col. 31, lines 43-51), Park is referring to applying the data of a transaction to add to or deduct from a balance maintained in a particular account. Park does not discuss how those balances are calculated, and does not does not perform or suggest calculating asset, liability and equity balances for an investment portfolio as a whole.

#### 4. Cannon reference

The Cannon reference teaches providing merchant information to banks through a web page. Cannon was cited for teaching the hyperlinking of supporting reports to balances that they support. However, Cannon's actual use of hyperlinks is for linking merchant information reports (e.g. Figure 8) to entries in a list of available reports (e.g. Figure 7). Cannon does not show balances of a financial position report that are hyperlinked to reports supporting those balances.

5. Differences between claim 71 and cited references

The foregoing sections discussed the teachings of each cited reference and differences between the claimed invention and the cited references. The following table summarizes the differences between the cited references and claim 71:

**Attorney Docket No. 027756/0101**

<b>Claim 71</b>	<b>Lewis</b>	<b>Park</b>	<b>Cannon</b>
71. A method of producing a financial position report for an investment portfolio, comprising:	Collects financial data and creates a database of financial data for use by other applications	Guides a user through entry of brick-and-mortar transaction data, using a standardized system of identifying transactions, to produce accurate accounting records	Provides merchant information to a bank through a web site
obtaining single entry transaction data records for individual transactions of the investment portfolio;		Obtains transaction data for brick-and-mortar transactions such as raw materials, warehousing, etc.	(no relevant teaching)
receiving a request for a financial report for the investment portfolio;	Does not provide such reports and cannot receive requests for such reports	Does not provide such reports and cannot receive requests for such reports	Does not provide such reports and cannot receive requests for such reports
obtaining current prices for investments held in the investment portfolio;	Does not obtain current prices in response to a request for a report in order to use those prices in calculating the report	Does not obtain current prices for investments.	(no relevant teaching)
calculating current double entry asset, liability and equity balances for the investment portfolio as a whole using the transaction data records and the current prices, wherein the sum of the portfolio asset balances equals the sum of the portfolio liability balances and the portfolio equity balances, and wherein the liability balances include balances that reflect obligations that would result if all investments of the investment portfolio were liquidated at said current prices;	<p>-Does not calculate current asset, liability or equity balances for an investment portfolio as a whole.</p> <p>-Does not calculate asset, liability or equity balances that account for current prices.</p> <p>-Does not calculate a liability balance that reflects obligations that would result if all investments of the investment portfolio were liquidated at said current prices.</p>	<p>-Does not calculate current asset, liability or equity balances for an investment portfolio as a whole.</p> <p>-Does not calculate asset, liability or equity balances that account for current prices.</p> <p>-Does not calculate a liability balance that reflects obligations that would result if all investments of the investment portfolio were liquidated at said current prices.</p>	(no relevant teaching)

generating a financial position report for the portfolio that presents the asset, liability and equity balances of the portfolio in a double entry format;	-Does not generate a financial position report for an investment portfolio as a whole (generates lists of transactions by type of currency, and lists of assets by asset class) -Does not suggest a balance sheet presentation for an investment portfolio	-Does not generate a financial position report for an investment portfolio as a whole (only speaks of reports having "predetermined formats"; teaches no calculations for producing reports) -Does not suggest a balance sheet presentation for an investment portfolio	(no relevant teaching)
generating reports supporting each of the asset, liability and equity balances; and	Does not generate reports that support asset, liability or equity balances of an investment portfolio as a whole	Does not generate reports that support asset, liability or equity balances of an investment portfolio as a whole	(no relevant teaching)
presenting the financial position report, wherein each of the respective asset, liability and equity balances displayed in the financial position report is associated with a hyperlink to a corresponding report supporting the respective balance.	-Does not present a financial position report for an investment portfolio as a whole -Does not present asset, liability or equity balances for an investment portfolio as a whole -Does not present hyperlinked supporting reports	-Does not present a financial position report for an investment portfolio as a whole -Does not present asset, liability or equity balances for an investment portfolio as a whole -Does not present hyperlinked supporting reports	Provides a list of types of merchant information; report for each type of information are linked to the entries in the list

The foregoing sections and the foregoing table show that while the cited references are generally concerned with accounting, the cited references do not teach the specific feature that are required by the present claims.

The official action asserts that "the combination of the teaching taken as a whole suggests that investors would have benefited from having a better understanding of the overall financial position of the portfolio by having it in the form of a balance sheet." Applicant agrees that investors would benefit from better information, but nothing in the cited references suggests that conventional investment information could be improved, or identifies the deficiencies of conventional investment information, or suggests that investors would benefit from the type of information provided by the claimed invention, or suggests the specific type of presentation provided by the claimed invention. It is believed that if the cited references taught what is required by the present claims, it would be easy to point out where that teaching is found. However that is not the case at all. Instead, the main points of the invention are not found anywhere, and are asserted to be obvious based on the rationale that they are beneficial. It is respectfully submitted that the fact that an invention is beneficial does not make it obvious. In this case the only source that recognizes the benefit of the claimed invention is the present application itself. The claimed invention simply does not follow from the cited references.

For these reasons it is submitted that claim 71 recites features that are not taught or suggested by the cited references, and so claim 71 and its dependent claims are allowable.

6. Differences between dependent claims and cited references

There are many significant differences between the dependent claims and the cited references. In many instances the portions of the references referred to in the rejections have no meaningful relationship to the features of the dependent claims for which they are cited, and in many instances the terms used in the claim being rejected do not appear anywhere in the reference. The

following features of the dependent claims are not taught in any of the cited references:

Claim 73-74: these claims specify details of the transaction data processed by the claimed method. The official action cites passages of Lewis where key words from these claims are found, i.e., "cash," "margin," however the cited passages are taken out of context. The terms do not refer to parts of transaction data and the cited passages do not teach what is done with transaction data in the present claims.

Claim 75: this claim refers to allowing a user to enter transaction data characterizing a hypothetical transaction to see its effects on the asset, liability and equity balances of the portfolio as a whole. The official action cited paragraphs 23 and 33 of Lewis as teaching these features, however neither of these paragraphs mentions anything about inputting hypothetical transactions or recalculating a financial position report based on the hypothetical transactions. Paragraph 23 of Lewis says that data is received and stored in a database and made available for querying, while paragraph 33 of Lewis states that "business rules" that specify how data is to be stored in the database may be modified. Claim 75 refers to inputting transaction data for a "what-if" scenario for producing reports that reflect the effects of the what-if scenario. Inputting hypothetical transaction data has nothing to do with changing business rules that specify how incoming data is stored.

Claims 76-78: these claims refer to generation of a cash balance that is one portion of the asset balance. An example of such a report is provided in Figure 9I of the application. The cited portion of Lewis (paragraph 26) mentions that it is an object of Lewis to "continuously post transactions to ... cash balances." Posting a transaction simply means that the transaction is assigned to a particular account, whereas the present claims refer to producing a cash balance report that encompasses the portfolio as a whole, and doing so as a sub-set of an over-all asset balance calculation. Lewis never uses the term "asset balance," and does not teach that a cash balance is part of an asset balance of a financial position report (claim 76) or is hyperlinked to a supporting

report (claim 77). Lewis also does not teach the details of a cash balance report as specified in claim 78.

Claims 79-82: these claims refer to generation of a securities current basis balance that is one portion of the asset balance. An example of such a report is provided in Figure 9H of the application. Nothing in Lewis refers to a current basis, let alone a securities current basis balance, and the term is never used in Lewis. The rejection of claim 79 refers to the features of claim 80 and fails to address claim 79 at all, and although paragraph 26 of Lewis is cited, paragraph 26 does not teach calculating a securities current basis for an investment portfolio as a whole. Paragraph 26 merely discusses posting individual transactions. Paragraph 26 does not teach the current value, gain and loss recited in claim 81. Claim 82 states that the calculation of current value, gain and loss is done using real time price data. The official action asserts that this is taught by paragraph 24 of Lewis, however paragraph 24 merely states that report generation is performed in real time (i.e. using real time transaction data from the Lewis database), whereas claim 82 requires the use of real-time price data for calculating the balances in the report. The cited portions of Lewis do not use the term "asset" and therefore cannot teach that a securities current basis balance is part of an asset balance.

Claims 83-85: these claims refer to generation of a margin borrowed balance and report as part of the liability balance. An example of such a report is provided in Figure 9K of the application. Margin borrowed is a well known accounting term that refers to how much money has been borrowed. Paragraph 127 of Lewis teaches that a margin maintenance requirement may be calculated, but this is different than a margin borrowed balance report. In contrast, a margin maintenance requirement is how much money may be borrowed against current investments based on federal regulations (e.g. 50%). Paragraph 138 refers to a margin value but does not discuss a margin borrowed balance and report. Lewis does not teach a margin borrowed balance report. The cited portions of Lewis do not use the term "liability" and therefore cannot teach that a margin borrowed balance is part of a liability balance.



Claims 86-88: these claims refer to generation of a margin interest balance and a margin interest payable report as part of the liability balance. An example of such a report is provided in Figure 9M of the application. Margin interest is a well-known accounting term that refers to the interest charged on money borrowed. The official action cites paragraphs 26, 36 and 70 of Lewis and states that "margin maintenance amounts and interests are interpreted to include margin interest and cost and balance." However the only mention of margin in the cited passages is the term "margin maintenance amounts," which as explained above is how much money may be borrowed against current investments. Lewis does not teach a margin interest payable report.

Claims 89-92: these claims refer to generation of a taxes payable balance and a supporting report as part of the liability balance. Taxes payable refers to taxes that would have to be paid on all investments if sold at current prices, as well as tax payments already due because of previous sales. An example of such a report is provided in Figure 9S of the application. The official action cites paragraphs 23, 24, 26, and 36 of Lewis and Table 3 of Park. The cited portions of Lewis mention payables but do not teach or suggest calculating taxes payable on an investment portfolio as a whole, or providing a report supporting this calculation. The feature of using user-supplied tax rates for this calculation is completely absent from paragraph 36 of Lewis, which is cited as teaching that feature but makes no mention of taxes whatsoever. Table 3 of Park merely shows different types of information that are used to describe a transaction, and teaches nothing regarding calculating taxes payable. Neither reference teaches a taxes payable report. The terms "short term," "long term," "unrealized," "state" and "federal" do not appear anywhere in Lewis.

Claims 93-95: these claims refer to generation of a cash invested balance and a cash invested report. An example of such a report is provided in Figure 9J of the application. The cited paragraphs 23 and 26 of Lewis mention nothing regarding a cash *invested* balance. Cash invested is that amount of actual cash used when buying securities, excluding any borrowed money (margin) that was used to buy the securities. Lewis mentions nothing about this concept and does

not teach a cash invested report. The term "cash invested" does not appear anywhere in Lewis.

Claims 96-100: these claims refer to generation of a net worth balance and net worth report. An example of such a report is provided in Figure 9U of the application. The cited paragraphs 24-26, 36 and 70 of Lewis make no mention of equity or net worth. Rather, paragraphs 24-26 simply use the term "net payables," paragraph 36 describes the server used by Lewis and paragraph 70 says merely that transactions are "netted" to specific ledger entries. Lewis does not teach a net worth report for an investment portfolio as a whole. Lewis does not teach calculating net worth using real time price data. The claim terms "equity balance" and "net worth" do not appear anywhere in Lewis.

Claims 101-102: these claims specify that the current price information used for generating the financial position report is obtained in response to a user request for the financial position report. The combined references do not teach a financial position report for an investment portfolio as a whole and so do not teach providing such a report in response to a request.

Claim 104 specifies the features of producing an income statement for an investment portfolio as a whole, including generating revenue and expense balances for the portfolio as a whole and revenue and expense reports hyperlinked to the corresponding balance. The income statement portion of the financial position report is shown at the bottom of the report of Figure 8, as well as in the bottom portions of Figures 9V-1, 9V-2 and 9V-3. The official action's rejection of claim 104 refers back to claim 71 without any discussion of any of the features of claim 104. It was previously demonstrated that claim 71 is not taught by the cited references. None of the features of claim 104 are taught by the cited references, and it is the burden of the official action to specify where features are found in the cited references, otherwise the claim must be allowed. Claim 104 specifically recites the features of a profit and loss report that is included with the financial position report. The profit and loss report presents the revenues and expenses occurring within a given period. It is different than the equity, liability and asset balances of the financial position report because those balances show the status of the portfolio at a given instant, whereas the

profit and loss report shows the changes in the portfolio over a defined period of time. The cited portions of the references have nothing to do with these concepts.

Claims 105-109: these claims refer to generating a gains and losses balance and supporting reports, such as gross gains and losses, net gains and losses, bought value, and realized and unrealized value, as part of the revenue balance of a profit and loss report. Examples of such reports are provided in Figures 9N-1, 9N-2, 9N-3 and 9N-4 of the application. Gross gains and losses are gains and losses before subtracting expenses such as commissions and costs, while net gains and losses are gains and losses once expenses such as commissions and costs have been subtracted. The official action cites paragraphs 26, 36 and 70 of Lewis, however these paragraphs do not address calculating the gains and losses of a portfolio as a whole, or any of the specifically claimed supporting reports. With regard claim 108, the official action states that "commissions and costs" are interpreted to be included in the "financial terms" discussed in Lewis. However, the terms discussed by Lewis are terms for a single transaction, and are not representative of anything concerning a portfolio as a whole. Further, "commissions" and "costs" are clear and well-known accounting terms that cannot be interpreted to be anything other than what they are. There is no teaching relating to these concepts in Lewis. With regard to claim 109, the term "unrealized" does not appear anywhere in Lewis. Lewis teaches nothing regarding a gains and losses balance report for an investment portfolio as a whole.

Claims 110-112: these claims refer to generating a dividends and interest balance and a supporting report. An example of such a report is provided in Figure 9E of the application. The official action cites paragraphs 70 and 99 of Lewis, however, the mention of "interests" in paragraph 70 refers to interest associated with a single transaction, and the mention of dividends in paragraph 99 refers to dividends received for individual securities, which is conventional investment information. Lewis teaches nothing regarding a dividends and interest balance report supporting a profit and loss section for an investment portfolio as a whole.

Claims 113-115 refer to generating a commissions and costs balance and a supporting report. The cited paragraphs 26 and 70 of Lewis do not address this feature. Paragraph 26 merely refers to the cost basis of a position (i.e. how much was paid for a security, as opposed to other costs associated with buying it), while paragraph 70 mentions nothing about commissions or costs. Lewis teaches nothing regarding a commissions and costs balance report.

Claims 116-118: these claims refer to generating a margin interest balance and a supporting report. An example of such a report is provided in Figure 9M of the application. The cited paragraphs 26, 70, 102, 127 and 138 of Lewis do not address this feature. Paragraphs 26 and 70 do not mention margin. Paragraph 102 mentions that a stock sale may affect an account holder's margin position. Paragraph 127 mentions that buying power can be determine for investors who buy on margin. Paragraph 138 mentions that the margin value of a position can be determined. These paragraphs do not teach determining a margin *interest* balance for an investment portfolio as a whole and do not teach a margin interest balance report.

Claims 119-122: these claims refer to generating state and federal tax balances, and a state and federal tax report that includes both short term and long term tax expenses for both realized and unrealized gains. An example of such a report is provided in Figure 9R of the application. The official action refers to paragraphs 26, 33 and 36 of Lewis, however these paragraphs make no mention of taxes. The terms "short term," "long term," "unrealized," "state" and "federal" do not appear anywhere in Lewis. The official action also notes the use of the word tax in Table 3 of Park, however Table 3 of Park shows labels for individual transactions, not balances for an investment portfolio as a whole. Lewis teaches nothing about calculating these balances using real time price data or user defined tax rates. Lewis teaches nothing about producing reports supporting these balances.

Claim 123 refers to calculating the balances of claim 104 using real time price data to determine real time profit and loss activity. Paragraphs 23-26 of Lewis are cited, however these paragraphs merely stated that data may be queried and reports may be generated in a real time manner i.e. using real time

transaction data entered into the Lewis database. No teaching of generating the balances or reports of claim 104 is taught by Lewis.

Claim 124 refers to allowing a user to enter transaction data characterizing a hypothetical transaction to see its effects on the asset, liability and equity balances. The cited portions of Lewis mention nothing about inputting hypothetical transactions or recalculating a financial position report based on the hypothetical transactions.

Claims 125 refers to calculating a performance measure the provides a rate of return that takes into account the holding period for individual securities, and generating a report supporting the performance measure. The official action cites paragraphs 33, 36, 106 and 150 of Lewis, and asserts that Lewis' "customization of business rules" encompasses calculating a rate of return on a portfolio basis. Paragraphs 33 and 36 say nothing about determining a rate of return. Paragraph 106 merely says that a business rules-driven architecture can be used to customize information. Paragraph 150 says that a time series engine may be used to retrieve historical data. None of the cited portions discusses calculating a rate of return, or doing so for a portfolio as a whole, or doing so while taking into account holding periods for individual securities, or producing a report supporting such a performance measure.

Claims 126-128: these claims refer to generating a return on securities and a report supporting the return on securities. Examples of such a report are provided in Figures 9O-1 and 9O-2. The official action cites paragraphs 26, 33, 36 and 70 of Lewis as teaching this feature, however none of these paragraphs mentions the concept of a return on securities or teaches a report for supporting that quantity.

Claims 129-131: these claims specify various features included in a return on securities report. Examples of such a report are provided in Figures 9O-1 and 9O-2. The official action cites paragraphs 29, 33, 36, 99, 100, 106, 138 and 150 for these features, however these paragraphs make no mention of the concept of return on securities, and do not even use the word "return."

Claims 132-136: these claims refer to generating a cash return on securities performance measure and report, and specific features of the report.

Examples of such a report are provided in Figures 9P-1 and 9P-2. The official action cites paragraphs 29, 33, 36, 99, 100, 106, 138 and 150 for these features, however again these paragraphs make no mention of the concept of return on securities, let alone cash return on securities, and do not even use the word "return." The term "cash return on securities" refers to the return when calculated based on only the cash used to make the investment (i.e. excluding any money borrowed on margin). This concept appears nowhere in any of the cited references.

Claims 137-139: these claims specify that the current price information used for generating a financial position report is obtained in response to a user request for the financial position report. The combined references do not teach a financial report and so do not teach providing such a report in response to a request.

The foregoing discussion shows that none of the cited references teach any of the reports specified in the dependent claims, or the balances and other quantities of the main report that are supported by and hyperlinked to those reports. Accordingly, the dependent claims are allowable on the basis of their respective features as well as for the features of their antecedent claims.

Therefore it is believed that all pending claims specify subject matter that is not obvious in view of the combined teachings of Lewis, Park and Cannon.

The foregoing amendments and remarks address all bases for objection and rejection and are believed to place the case in condition for allowance. The examiner is invited to contact the undersigned to resolve any remaining issues.



Date: May 19, 2003

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